From:	Stan Sokolowski <ssokolowski@cifc.com>
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CC:	
Date:	Wed, 9/10/2014 6:06:51 PM
Subject:	Daily Update

Quote of the Day

"Some drink deeply from the river of knowledge. Others only gargle." – Woody Allen

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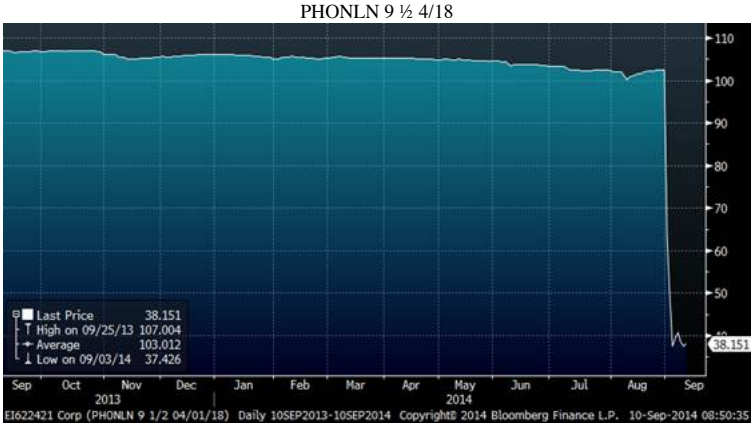
- Risk, globally, was generally red overnight. Participants seem resigned to prices going "a bit lower" before buyers begin to step back in and therefore there is some tentativeness to the market currently (seasonal? or something else?). Sovereign bond rates continue to trend higher. Also, currencies are acting up a bit over the past days (see Chart(s) of the Day). France says it will heavily overshoot their budget deficit target (shocker). Chinese stocks have been on a tear however other indicators are suggesting weakness[?]. Concerns over Europe's low growth / low inflation environment are bubbling up. Obama will be giving a speech tonight on his terrorist strategy. Eminis: -2. 10 year: 2.53%

- Data: none

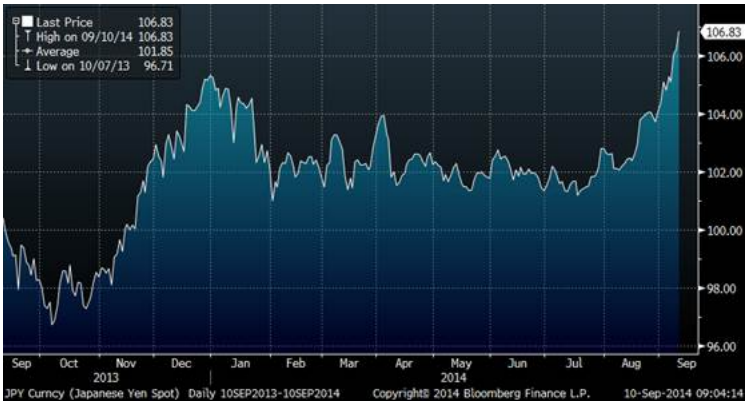
- Credit: Starting a bit quiet after a down day yesterday. Loans are opening flat to slightly down. I have been hearing that European high yield is very illiquid and gappy (just a reminder that a lot of markets have similar characteristics these days). If you are worried about a name make sure you have a solid understanding of its liquidity profile in case we need to make some adjustments. Phones4U (UK) lost a contract recently which led a few investors to seek bids. There were no buyers and bonds gapped 65pts!!!! (see Chart(s) of the Day)

- Chart(s) of the Day

PHONLN 9 ½ 4/18



Yen



Aussie $

Shanghai

Steel Rebar (Shanghai)

China Iron Ore

- Other:
  - Sooner rate hikes? http://www.cnbc.com/id/101984756
  - More pressure on banks http://online.wsj.com/articles/lawmakers-press-regulators-to-lessen-risks-banks-pose-to-financial-system-1410291269?mod=WSJ_hp_LEFTWhatsNewsCollection
  - These will trade and the market will be left bid (and looking)… http://www.nytimes.com/2014/09/10/realestate/million-dollar-parking-spot.html?hp&action=click&pgtype=Homepage&version=HpSum&module=second-column-region&region=top-news&WT.nav=top-news&_r=0
  - Another secular trend?

- HY: 59 3/8 (-1/4)
- IG: 107 1/16 (+5/8)
- CSLLI: -0.03% mtd / 2.93% ytd

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